

California Capital Access Program

2001 Program Results

Background

The California Capital Access Program ("CalCAP") was established by legislation enacted in 1994. The program assists small businesses in obtaining loans through participating financial institutions. For eligible businesses, CalCAP matches loss reserve account premiums paid by borrowers and lenders on loans. The participating financial institutions are entirely liable for loan losses, which can be reimbursed through each lender's CalCAP loan loss reserve fund. CalCAP has been highly successful encouraging the public and private sectors to work together to increase access to capital for small businesses.

Loans

From the program's inception on March 23, 1994 through December 31, 2001, 2,992 loans were made totaling \$444,336,183 that assisted small businesses in California.

From January 1 through December 31, 2001, seventeen participating banks made 342 loans totaling \$38,681,880.

Leverage Ratio of Public Funds to Private Lending

Overall, CPCFA's total contribution to the program is \$19,060,341, which equals a leverage ratio of 1:23 of CPCFA dollars to private bank dollars loaned to small businesses.

For 2001, CPCFA's matching contribution to the loss reserve accounts was \$1,622,634.

Average Loan Size

Since program inception, the average loan size is \$148,508. The CalCAP contribution made by CPCFA averages 4% of the loan amount.

Claims Against the Loan Loss Reserve Accounts

From program inception through December 31, 2001, 254 claims were made totaling \$34,323,808, which represents 7.7% of the total loan portfolio. Approximately, \$7,561,485 has been recovered by lenders and reimbursed to the loss reserve account.

Ratio of Loan Loss Reserve Balance to Current Outstanding Covered Loan Balance

As of December 31, 2001 the Current Loan Loss Reserve Balance totaled \$11,607,140. The total amount of Outstanding Covered Loans Balance, as reported by CalCAP banks for that same period, totaled \$166,421,974. This results in a ratio of approximately 6.97% loan loss reserve funds to outstanding covered loans.